Regions and 1x500 MW Mau HVDC back-to-back inter-regional link to connect Eastern and Northern regions. In addition to the HVDC back-to-back project various 200/400/800 KV transmission lines are under execution.

The renovation and modernisation programme (phase-I) for 34 thermal power stations aggregating to 13,585 MW was launched in September, 1984. Approximetely 87% of the activities have been completed. During the 8th Plan, under Phase-II of the R&M Programme 46 thermal power stations aggregating to 20581 MW at a cost of Rs. 1610 crores and 54 hydro electric projects aggregating to 9656 MW at an estimated cost of Rs. 1241 crores have been identified.

Conditions for Private Participation in Power Sector

6553. SHRI CHIMANBHAI MEHTA:
SHRI MOHD. MASUD KHAN:

Will the Minister of POWER be pleased to state:

(a) the reasons for not issuing global tenders for the construction of private power houses while electricity generated from these power houses is going to be transmitted by State Electricity Boards;

(b) on what basis and conditions multinational power house companies are erecting power houses in China and what is the price per unit charged over there;

(c) whether it is a fact that on the basis of minimum 16 per cent guaranteed return on foreign equity, entire cost would be covered by them in just six years while plant life is 5 to 6 times more, compared with the period of equity reimbursement; and

(d) whether above 16 per cent return of the equity is post-tax profit, without any encumberance and entirely repatriable?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P.V. RANGAYYA NAIDU): (a) Awarding power projects to private promoters is within the competence of the State Governments. It is for State Governments to decide the manner in which a Power generating project would be assigned to private companies.

(b) It is understood that People's Republic of China is offering a variety of incentives depending on the location of the projects being set up in the private sector. Some of the incentives are, upto 15% Internal rate of return on equity, exemption from or a reduction in import and export taxes, corporate income tax and withholding tax on repatriation of projects by promoters, lower land use fees etc. The price per unit charged in China for Private Power Projects is not available.

(c) No, Sir.

(d) For generating companies, GOI guidelines permit 16% post tax return on equity relatable to the generating units at 68.5% plant load factor, as a part of the fixed cost in tariff. Thus 16% RDE is linked to a level of performance.

Cost of Power Generation

6554. DR. NAUNIHAL SINGH : Will the Minister of POWER be pleased to state:

(a) whether it is a fact that the averge cost per MW for the private